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NOTICE OF PUBLICATION AND NOTICE OF PUBLIC HEARING

Notice is hereby given that the Council of the County of Kaua'i will hold a public hearing on Wednesday, June 15, 2016, at 1:30 p.m., or soon thereafter, at the Council Chambers, 4396 Rice Street, Room 201, Historic County Building, Lihue, on the following:

Bill No. 2633

A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, SECTION 5A-11A.1, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE BENEFICIAL TAX RATE FOR PROPERTY USED FOR LONG-TERM AFFORDABLE RENTAL

This Bill proposes to amend Section 5A-11A.1 of Chapter 5A, Kaua'i County Code 1987, as amended, relating to the beneficial tax rate for property used as a long-term affordable rental.

The purpose of this Bill is to utilize the 2015 Affordable Rental Housing Guidelines for tax year 2017. This bill would allow any real property owner to apply for the beneficial tax rate for property used for long-term affordable rental housing provided that the monthly rental amount stated in the written lease agreement is at or below the rates established for tax year 2015. The application deadline is September 30, 2016.

All interested persons who wish to present their comments may do so at the public hearing. Written testimony prior to the hearing would be appreciated. Written testimony can be submitted to the Office of the County Clerk, Council Services Division by mail, facsimile, or via E-mail to counciltestimony@kauai.gov. Copies of the proposed Bill are available at the Office of the County Clerk, Council Services Division.

(The Council Committee or Council may amend this Bill at its subsequent meetings. Meeting notices are posted at least 6 days in advance at the County Clerk's Office and the public may also testify at any of these meetings.)

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that the foregoing Bill No. 2633 was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on May 18, 2016, by the following vote:

AYES: Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura,	
Rapozo	TOTAL - 7,
NOES: None	TOTAL - 0,
EXCUSED & NOT VOTING: None	TOTAL - 0.

Lihue, Hawai'i
 May 19, 2016

/s/ Jade K. Fountain-Tanigawa
 County Clerk, County of Kaua'i

NOTE: SPECIAL ACCOMMODATIONS AND SIGN LANGUAGE INTERPRETER AND INTERPRETERS FOR NON-ENGLISH SPEAKING PERSONS ARE AVAILABLE UPON REQUEST FIVE (5) DAYS PRIOR TO THE MEETING DATE, TO THE COUNTY CLERK, 4396 RICE STREET, SUITE 209, LIHUE, KAUAI, HAWAII, 96766. TELEPHONE NO. (808) 241-4188. FACSIMILE NO. (808) 241-6349.

(One publication - The Garden Island - May 24, 2016)

**A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A,
SECTION 5A-11A.1, KAUAI COUNTY CODE 1987, AS AMENDED,
RELATING TO THE BENEFICIAL TAX RATE FOR PROPERTY USED
FOR LONG-TERM AFFORDABLE RENTAL**

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

SECTION 1. Chapter 5A, Kauai County Code 1987, as amended, is hereby amended by amending Section 5A-11A.1 to read as follows:

“Sec. 5A-11A.1 Beneficial Tax Rate for Property Used for Long-Term Affordable Rental.

(a) Definitions. As used in this Section:

“Dwelling” means a building or portion thereof designed or used exclusively for residential occupancy and having all necessary facilities for permanent residency such as living, sleeping, cooking, eating and sanitation.

“Long-term affordable rental” means a dwelling subject to a written lease agreement with a term of one (1) year or more and at a monthly rent not to exceed the maximum housing cost based on eighty percent (80%) of the Kauai median household income as set forth in the Kauai County Housing Agency Affordable Rental Housing Guideline for the year in which the owner files his or her application.

(b) Any owner who owns real property that is rented or leased as a long-term affordable rental shall receive the homestead tax rate as provided in Sec. 5A-6.4 provided that all dwellings on the property are long-term affordable rentals or owner-occupied.

(c) The owner may apply for the beneficial tax rate on a single year or multi-year basis. An owner with a multi-year written lease agreement may apply to receive the beneficial tax rate for each year that the lease agreement is in effect up to a maximum of three (3) years, provided that rent in each year of the lease does not exceed the long term affordable rental limits at the time of application. For each subsequent year of the multi-year lease, the owner shall file by September 30th, an annual affidavit confirming the unit(s) is still being rented at the specified rent level in accordance with the multi-year lease agreement. At the expiration of the multi-year beneficial tax period, the owner may file a new application to receive the beneficial tax rate as long as the property adheres to the long term affordable rental requirements at the time of the new application.

(d) The owner shall file his or her application annually in a form prescribed by the Director of Finance by September 30th prior to the fiscal year beginning July 1st for the beneficial tax rate. The owner shall notify the Director of Finance within thirty (30) calendar days if the property is no

longer being rented or leased as a long-term affordable rental due to the sale of the property or conversion to short-term rental. Should there be a change in the use as a long-term affordable rental, the beneficial tax rate shall be automatically revoked and all differences in the amount of taxes that should be due for the remainder of the tax year without the beneficial tax rate shall become due and payable.

(e) For the [2016] 2017 tax year, any owner who [received] owns real property that is rented or leased as a long-term affordable rental may apply for the beneficial tax rate for Long Term Affordable Rental [in the 2015 tax year and has not changed] provided that the monthly rent amount stated in their [2015] written lease agreement [may qualify for the beneficial tax rate and receive a one-time tax adjustment to the Homestead tax rate.] is at or below the 2015 rates established by the Kaua'i County Housing Agency Affordable Rental Housing Guideline. The owner shall file an application [for the one-time tax adjustment] with the Department of Finance, Real Property Tax Assessment Division by [December 31, 2015.] September 30, 2016."

(f) The Director may adopt rules and prescribe forms."

SECTION 2. If any provision of this Ordinance or the application thereof to any person, persons, or circumstances is held invalid, the invalidity does not affect the other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are severable.

SECTION 3. Ordinance material to be repeal is bracketed. New Ordinance material is underscored. When revising, compiling, or printing this Ordinance for inclusion in the Kaua'i County Code 1987, as amended, the brackets, bracketed material, and underscoring shall not be included.

SECTION 4. This Ordinance shall take effect upon approval.

Introduced by:


MEL RAPOZO

DATE OF INTRODUCTION:

May 18, 2016

Līhu'e, Kaua'i, Hawai'i

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CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 2633, which was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on May 18, 2016, by the following vote:

FOR PASSAGE:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura, Rapozo	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Lihu'e, Hawai'i
May 19, 2016



Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i